

Vola Headlines

- Cross-asset volatility has seen a month of compression, now reverting back to levels lower than its historical average, as risk sentiment cautiously improves across global markets.
- Equity volatility displayed rapid mean reversion effects driven by shifting investor sentiment, particularly around renewed tariff negotiation and de-escalation rhetoric.
- FX and Gold volatility appear to lag, as they continue to price in broader macroeconomic risks including global growth concerns.
- A persistent divergence between Treasury volatility and Bund volatility continues, with U.S. rates remaining more volatile amid shifting Fed expectations and added pressure from a recent Moody's U.S. credit outlook downgrade.

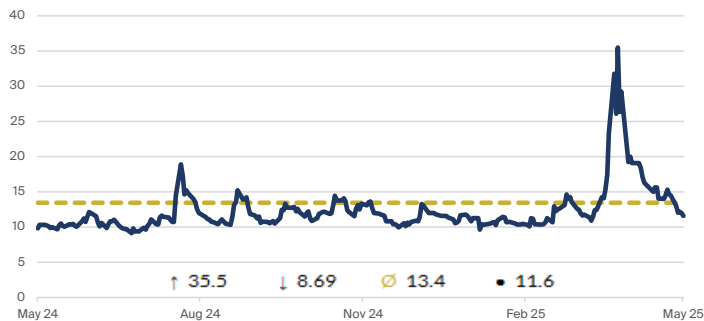
Market sentiment has pivoted sharply in May, with investors rapidly unwinding risk premia despite the persistence of underlying macro and geopolitical risks. This recalibration has created tactical entry points—not just for directional risk-taking, but also for selective long volatility positioning.

Overview

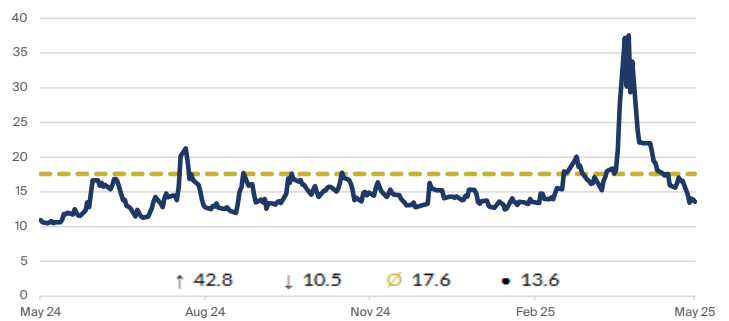
SMI	11.60	Euro Stoxx	13.59	SPX	14.65	Nikkei	18.72
DAX	14.97	FTSE 100	9.71	NASDAQ	18.98	Hang Seng	21.88

Equities

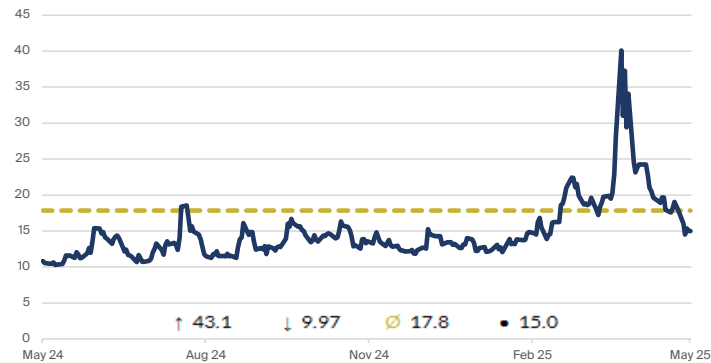
SMI 1M ATM Implied Vola



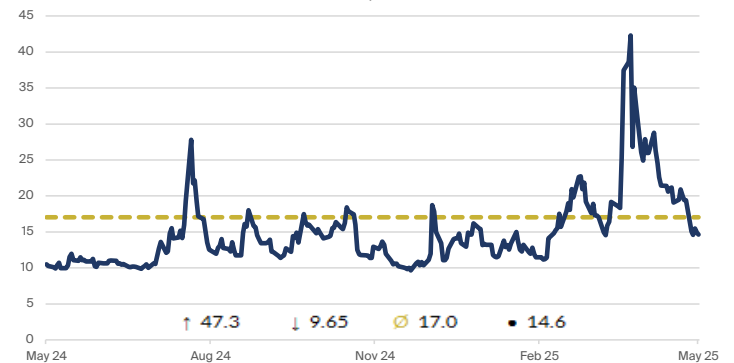
Euro Stoxx 1M ATM Implied Vola



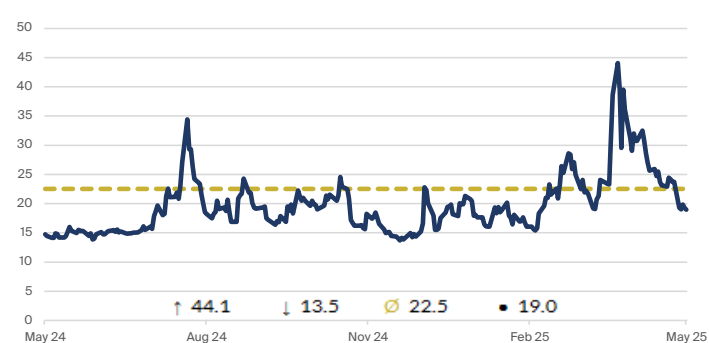
DAX 1M ATM Implied Vola



S&P 500 1M ATM Implied Vola



NASDAQ 100 1M ATM Implied Vola



Hang Seng 1M ATM Implied Vola



-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year ● Current

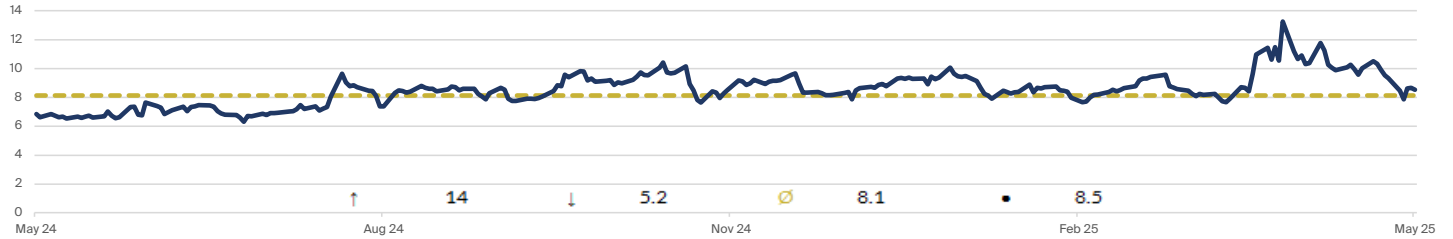


Overview

G10	8.53	USDJPY	10.85	EURGBP	4.89	USDCHF	8.75
EURUSD	7.54	EURCHF	5.90	GBPUSD	7.09	EURJPY	8.83

FX

JPM G10 FX Volatility 1M ATM Index



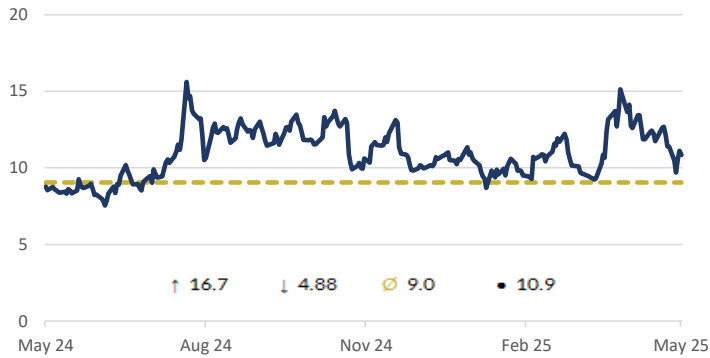
EURUSD 1M ATM Implied Vola



GBPUSD 1M ATM Implied Vola



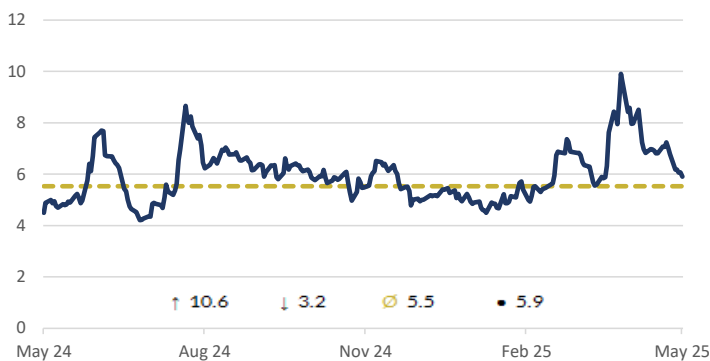
USDJPY 1M ATM Implied Vola



USDCHF 1M ATM Implied Vola



EURCHF 1M ATM Implied Vola



GBPCHF 1M ATM Implied Vola



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Overview

US Treasury	6.27	Euro Bund	6.03
WTI	33.67	Brent	31.52
Natural Gas	58.15	Corn	22.50

Rates

US Treasury 1M ATM Implied Vola

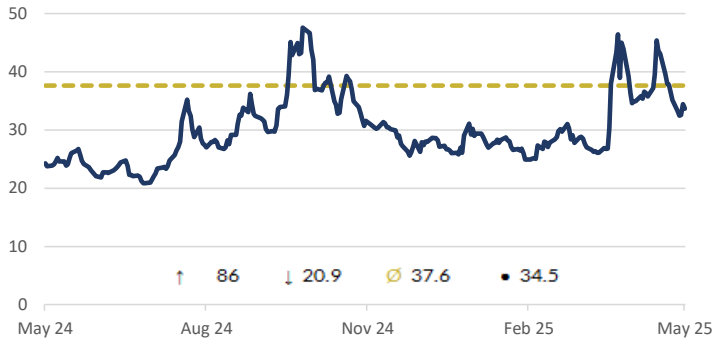


Euro Bund 1M ATM Implied Vola

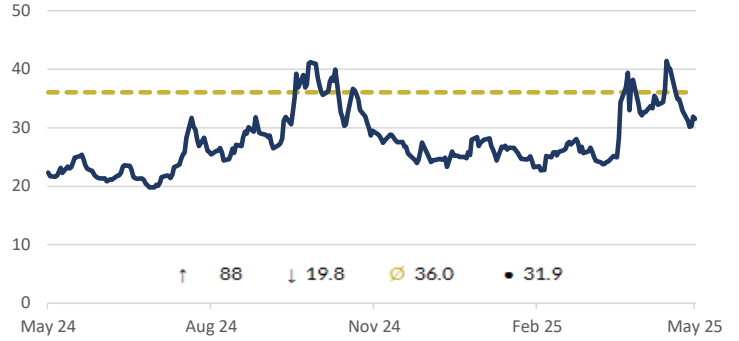


Commodities

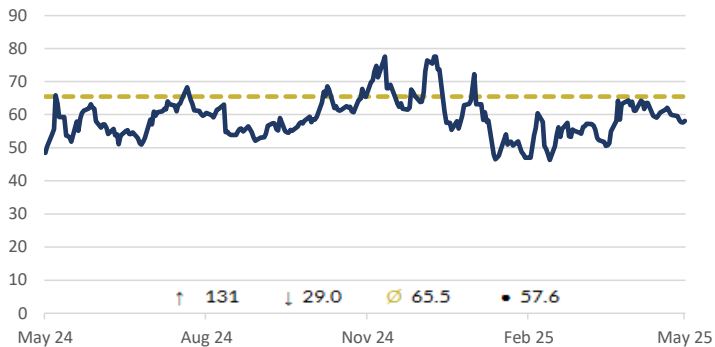
WTI 1M ATM Implied Vola



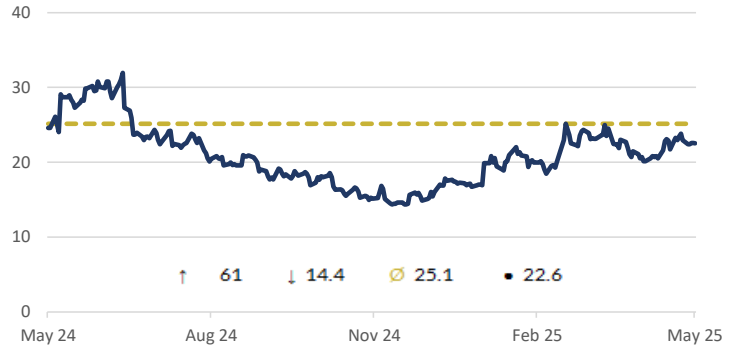
Brent 1M ATM Implied Vola



Natural Gas 1M ATM Implied Vola



Corn 1M ATM Implied Vola



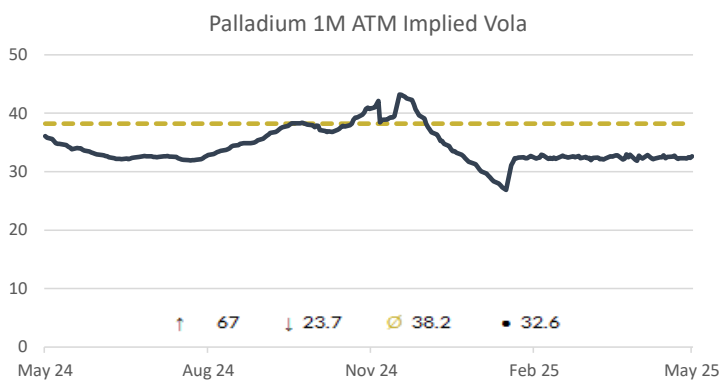
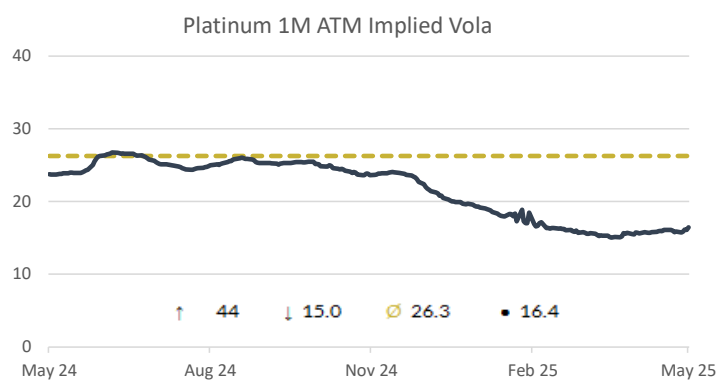
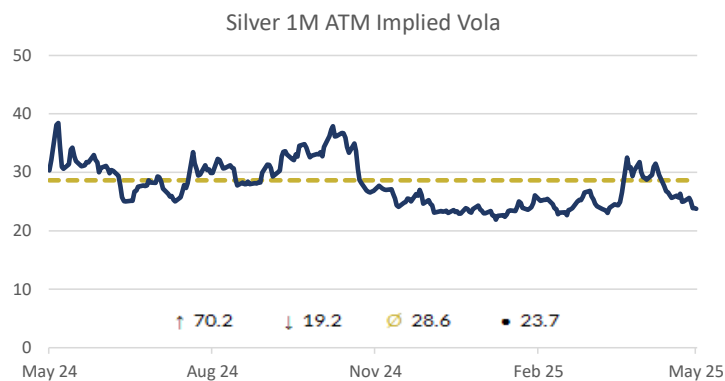
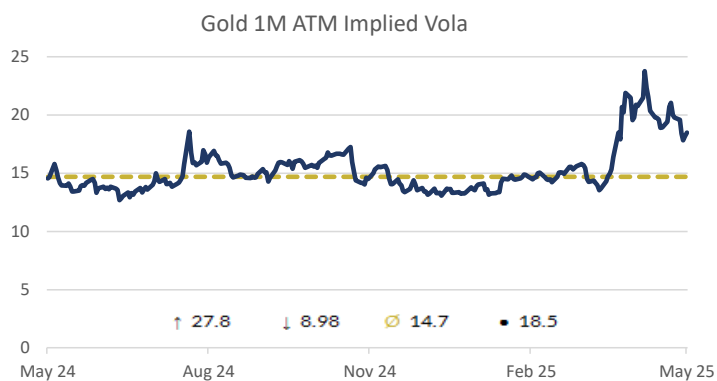
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Overview

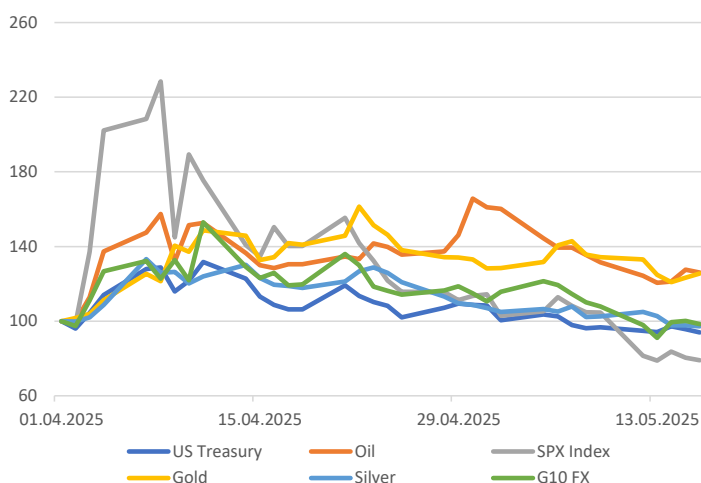
Gold	18.48	Silver	23.74	Platinum	16.42	Palladium	32.65
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Metals



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Cross Asset Volatility Compression



The graph illustrates how implied volatility across asset classes compressed following the market turbulence in April 2025. Equity volatility, in particular, showed the most pronounced reaction.

Asset-Specific Sensitivity

Equity volatility tends to react more forcefully to risk events, both on the way up and down, reflecting the high sensitivity of equity markets to sentiment.

Pacing the Reversion

The speed of volatility normalization varies across asset classes, while FX and rates often revert more gradually, echoing slower resolution of underlying macro uncertainties.

"Volatility moves fast, but reason moves slow—and the distance between them is where opportunity lives."

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